

MEETING MINUTES CITY OF MILPITAS

Minutes of: Special Meetings of Milpitas City Council – Closed
Date: Session & Budget Public Hearing
Time: Thursday, May 18, 2017
Location: 6:30 PM
Council Chambers, Milpitas City Hall,
455 East Calaveras Blvd., Milpitas

CALL TO ORDER Vice Mayor Grilli called the special meetings to order at 6:30 PM. City Clerk Mary Lavelle called the roll.

PRESENT: Vice Mayor Grilli, Councilmembers Barbadillo, Nuñez and Phan

ABSENT: Mayor Tran

CLOSED SESSION City Council convened to Closed Session to discuss three items, as listed on the special meeting agenda, related to personnel and litigation items.

ANNOUNCEMENT City Attorney Chris Diaz made one announcement out of Closed Session at 7:45 PM. Mr. Diaz stated that the City Manager would not be sitting with the Council at this meeting and the City would make a further statement the next day. Police Chief Steve Pangelinan was requested to sit in place of the manager at the dais for this meeting.

PUBLIC FORUM None.

BUDGET Public Works Director Nina Hawk came forward to introduce the plan for discussion of the budget for Fiscal Year 2017-18. She introduced Assistant Finance Director Jane Corpus who discussed the proposed budget for next year, starting with a summary of the Budget Study Sessions. She displayed General Fund budget allocations by department and increases over the last five years.

Following budget study sessions, Ms. Corpus reported that Council input and community feedback yielded some increases to the draft proposed budget. She reviewed General Fund revenues and expenditures in the last fiscal year. Items were then described by impacted Department Directors.

Recreation Services Director Renee Lorentzen described the community meeting held on May 8. There, parents and community members attended, and a request was made for additional microphones for the Children's Theatre program (in current year) and funds for set design supplies (next year). Ms. Lorentzen said that would be \$30,000 added to the new FY budget.

Economic Development Director Edesa Bitbadal described the cost and position for an Economic Development Specialist as an additional full time employee in that office at a total cost of \$160,000. She also defined \$1,000 as the cost of membership to join the Silicon Valley Organization in the premier membership category. She was preparing to coordinate a Business Roundtable with business leaders and property owners for the City of Milpitas.

Ms. Hawk reported that City Council meeting translation services estimated at \$6,600 were added. Human Resources Director Tina Murphy explained how the City could provide translation in two different manners, via a translation service for hire.

The Human Resources Director reviewed historical staffing levels, as 16.5 positions were requested to be added to the City next year totaling \$3.119 million. Public Works crew changes for service enhancements were detailed, and those were to be funded by utility funds (not General Fund). Ms. Murphy provided a Vacant Position Summary for FY 2016-17 list, as requested previously by the Council.

Ms. Corpus described the five-year General Fund forecast, anticipated to grow from \$93 million to \$105 million in revenues.

Ms. Hawk was ready to detail the list of City Council line item budget, if there were no other urgent questions.

Councilmember Nuñez asked if there was a need for a public hearing at the next Council meeting on actions needed that date (adopting budget resolutions). The City Attorney responded that by law no public hearing was required to adopt the budget. Mr. Nuñez requested more information on the six bullets listed for revenue growth opportunities, and staff responded that could definitely be done. He wanted to understand if the last bullet was what Economic Development staff was already working on (additional hotels and retail).

Vice Mayor Grilli opened the public hearing at 8:17 PM.

Robert Marini, Milpitas resident, said with all the new housing development ongoing, that should be considered in revenue streams to the City. He spoke about the Water Rate Task Force and discussion of movement of funds from the Water Fund to the General Fund.

Motion: to close the public hearing, following one speaker

Motion/Second:

Councilmember Nuñez/Vice Mayor Grilli

AYES: 4

NOES: 0

ABSENT: 1 (Tran)

Councilmember Barbadillo asked if budget expenses versus revenues was healthy compared to other local cities. Ms. Corpus replied that the City must have a balanced budget every year. Mr. Barbadillo asked if any “extra” was going to reserves and staff said yes. He asked for the rationale on adding an Economic Development staff person. Staff responded that it came from Council at a budget study session. Mr. Barbadillo asked about public facility fees and he accepted Recreation staff’s offer to return with information on how to lower some facility fees and figure out how to cover a resulting reduction in revenue.

Councilmember Nuñez asked where in the budget he would find the Housing Authority and its expenditures. Ms. Corpus responded to his questions about that arm of City government and its budget. Mr. Nuñez wanted a presentation to understand that budget specifically and if those funds could be spent on affordable housing. He asked where the in-lieu fees belong in the budget.

Councilmember Nuñez referred to the five-year projection, and the Assistant Finance Director explained the use of the PERS stabilization fund to cover expected budget deficits in FY 2019-20 through 2020-21, due to anticipated PERS rate increases. Ms. Hawk answered his question about how to handle any specific recommendations that come from the Water Rates Task Force, and if there were costs. Mr. Nuñez wanted a list of what was coming back to Council on the task force, sports center fields, parking issues (after a May 30 meeting on those topics) and any others. He noted that on May 24, there would be a public meeting on the sports fields.

Councilmember Barbadillo commented on the five year forecast. He also talked about PERS reserves, and asked Ms. Corpus for explanation of the PERS rate paid by the City, and when it did increase, how the City would pay those increases.

Councilmember Phan inquired about a possible community liaison position. Ms. Murphy said staff could respond on a cultural advisory/resources or outreach position, per discussion held by Council but with no consensus.

Councilmember Nuñez asked whether staff looked at all the positions that had been mentioned. Ms. Murphy said yes, and it was only two recommended for addition to the budget. He referred to affordable housing and would like to dedicate staff to that topic, maybe from the Housing Authority.

Vice Mayor Grilli suggested that his idea could be discussed next Monday night (May 22) when the subject of affordable housing was on the agenda.

Councilmember Nuñez provided more comments on a future position, culturally related, that could even be in Human Resources. Ms. Murphy responded on what some other cities offered in that type of employee position.

Councilmember Barbadillo would like to ask for extra money - \$1,000 – allocated to the Library Advisory Commission for funding its writing contest. Vice Mayor Grilli said it could come from Community Promotions and staff agreed with that comment. It could be designated that way.

Councilmember Phan would like to propose partnering with Siren, an organization to help immigrants with legal services. Staff could research that program and if any budget line item was needed.

Councilmember Nuñez inquired about the Planning Commission and its study on rules changes. Planning Director Brad Misner responded that it had to do with the by-laws of the Planning Commission and that that body would be looking at revised regulations the following week. Per the Commission's vote, staff could bring the whole package to City Council after that (not by June 6). Mr. Nuñez wanted the budget to list only what they were getting now, at \$25 per meeting.

Mr. Nuñez asked about the Association of Bay Area Governments, its line item and any anticipated changes due to merging. He was not in favor of funding any amount to United Way for 2-1-1 service, since that organization had moved its primary offices up to San Francisco.

Mr. Nuñez wanted to know if the Chamber of Commerce's information about the International BBQ would be ready by June 6. The City Attorney commented on the process for this hearing and the proposed budget. The Councilmember asked where he could find "flexibility" regarding membership organizations for the City.

Finance Director Will Fuentes commented that the City Council was only okaying the total amount of expenditures (not the fine detail) when the budget was adopted.

Councilmember Phan asked if the City Council could increase library hours separate from the City Council budget. Mr. Fuentes replied, they could. That expense item could go into a different fund area. Mr. Phan wanted to do that, since it was a huge number by itself and not really just in the Council's increased expenses. Vice Mayor Grilli did not agree with his comment and it was under the Council budget after the body voted to increase those hours in the past year.

Councilmember Nuñez reported that he received \$100 to attend Santa Clara Valley Transportation Authority Board meetings (as alternate member). He donated those checks to City of Milpitas, where he was learning a great deal from that county-wide agency.

Councilmember Phan wanted information on performance measure of the surveys done for the Recreation Department budget. Ms. Lorentzen responded on the surveys that had been done with all customers, including seniors.

The City Attorney expressed that the City Council must limit any budget discussion on Monday, May 22 to matters related to housing only.

Councilmember Nuñez moved and Councilmember Barbadillo seconded to continue this public hearing and to re-open it at the next City Council meeting. At that meeting, resolutions for FY 2017-18 budget adoption would be considered along with the annual appropriations limit. This was agreed by consensus of the City Council.

Next, City Attorney Diaz read aloud the title of Ordinance No. 197.14, "An Ordinance of the City Council of the City of Milpitas Amending Section 1.00 of Chapter 3 of Title VI of the Milpitas Municipal Code (Establishment of Departments of City) to Add the Recreation and Community Services Department."

(1) Motion: to waive the first reading beyond the title and introduce Ordinance No. 197.14 to amend City departments to include Recreation & Community Services

Motion/Second: Councilmember Phan/Councilmember Nuñez

AYES: 4
NOES: 0
ABSENT: 1 (Tran)

(2) Motion: to adopt a Resolution No. 8667 amending the Classification Plan to establish new classifications and make title changes

Motion/Second: Councilmember Barbadillo/Councilmember Nuñez

AYES: 4
NOES: 0
ABSENT: 1 (Tran)

(3) Motion: to direct staff to post the appropriations limit for 15 days to be able to approve the budget on June 6, 2017

Motion/Second: Councilmember Nuñez/Councilmember Barbadillo

AYES: 4
NOES: 0
ABSENT: 1 (Tran)

ADJOURNMENT

The special City Council meeting was adjourned at 9:29 PM.

The foregoing minutes were approved by Milpitas City Council on June 6, 2017.

Mary Lavelle
Milpitas City Clerk